

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7103

BILL NUMBER: HB 1346

NOTE PREPARED: Jan 8, 2010

BILL AMENDED:

SUBJECT: Legislative Ethics.

FIRST AUTHOR: Rep. Bosma

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Statements of Economic Interest:* This bill restates the statute describing the legislative statements of economic interests, and makes the following changes to that statute: (1) changes the threshold at which gifts must be reported from \$100 to \$50; (2) requires disclosure of the name of the filer's employer and the filer's spouse's employer and the filer's and the filer's spouse's job titles; (3) requires the reporting of certain investments and information relating to those investments; and (4) requires the reporting of certain information about the filer's real estate holdings. It requires the Clerk of the House of Representatives and the Secretary of the Senate to publish a copy of each statement of economic interests on the web site maintained by the General Assembly. It requires the Clerk of the House of Representatives and the Secretary of the Senate to publish on the web site maintained by the General Assembly a list of individuals who have filed a delinquent statement of economic interests. The bill also provides for civil penalties for filing delinquent or erroneous statements.

Lobbying: The bill provides that, for purposes of the lobby registration law, the terms "public official" and "public employee" do not include the president, a member of the board of trustees, or any other official or employee of a state educational institution. It provides that an individual who has served as a member of the General Assembly may not register as a legislative branch lobbyist during the period that ends 365 days after the date the individual ceases to be a member of the General Assembly. It also provides that the prohibition applies only to an individual who ceases to be a member of the General Assembly after June 30, 2010.

Lobbyist Registration and Reporting Requirements: The bill reduces the time after which a lobbyist begins lobbying activities that the lobbyist must register with the Lobby Registration Commission and must make amendments to a registration statement. It requires a lobbyist to submit a photograph of the lobbyist with a registration. It requires a lobbyist to make quarterly activity reports rather than semiannual reports.

Lobbyist Gifts: The bill also provides that a lobbyist may not give a cash gift to a legislator and that a legislator may not accept a cash gift from a lobbyist.

The bill makes technical changes and it repeals superseded statutes.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Statements of Economic Interest:* This bill requires the Clerk of the House of Representatives and Secretary of the Senate to publish legislator statements of economic interest on the General Assembly website. The bill also requires that the Clerk and the Secretary publish the names of individuals who file delinquent statements on the website. These requirements are expected to be accomplished through existing resources.

Lobbyist Gifts: This provision could increase administrative expenditures of the Indiana Lobby Registration Commission (ILRC) by requiring the ILRC to amend gift reporting forms and procedures for both lobbyists and legislators. It is estimated the provisions of this bill could be implemented through the use of existing staff and resources.

Lobbyist Registration and Reporting Requirements: Requiring quarterly activity reports from lobbyists will result in increased administrative expenses for the ILRC. Currently, the activity reports are filed with the ILRC twice per year.

The ILRC will incur additional expenses as a result of the decrease in the minimum reportable gift amount from \$100 to \$50 for one day, and the minimum aggregated amount from \$500 to \$250 during the calendar year. The increase in expenditures would be a direct result of the increase in the number of reportable gifts by reducing the minimum daily and annual reportable amounts.

The ILRC is responsible for creating the forms for reporting gifts to legislators. The ILRC is also required to prepare, publish, index, and make these reports available for public inspection. By decreasing the minimum reporting amounts as provided in this bill, the ILRC will have to spend more resources compiling these reports, and will also have to amend the forms for reporting gifts.

The bill's requirements represent an additional workload on the ILRC, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative action.

Lobbying: The cost to public universities could total approximately \$7,800 if all public university trustees and presidents were required to register as lobbyists. There are approximately 78 public university presidents and trustees. The expenditure impacts could be greater if additional university employees other than presidents and trustees registered. The current fee for registration is \$100. The fee is \$50 for those that lobby for a nonprofit organization as part of their salaried responsibilities to their employer.

Explanation of State Revenues: *Statements of Economic Interest:* The bill requires that the House and Senate Ethics Committees impose civil penalties of \$50 for each day that a statement of economic interests is late, or for each day after a filer is notified of an error in their statement of economic interests and the statement is not corrected. These penalties are in addition to any penalties that may be imposed on an

individual under Article 4, Section 14, of the Indiana Constitution.

Lobbying: General Fund revenues could increase by approximately \$7,800 if all university presidents and trustees had to register with the ILRC. The ILRC reports there are approximately 1,700 lobbyists currently registered.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: ILRC; Public Universities.

Local Agencies Affected:

Information Sources: ILRC, 232-9860; Commission on Higher Education, 464-4400.

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